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STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

MICHAEL F. EASLEY
GOVERNOR

LYNDO TIPPETT
SECRETARY

**North Carolina Board of Transportation
Environmental Planning and Policy Committee
Meeting Minutes for February 5, 2003**

A meeting of the Environmental Planning and Policy Committee (EPPC) was held on February 5, 2003 at 8:00 AM in the Board Room (Room 150) of the Transportation Building. Nina Szlosberg chaired the meeting. Other Board of Transportation members that attended were:

Conrad Burrell
Marion Cowell
Nancy Dunn
Larry Helms
Frank Johnson

Cam McRae
Nina Szlosberg
Alan Thornburg
Lanny Wilson

Other attendees included:

Rob Ayers
Marvin Blount III
Donnie Brew
Mike Bruff
Charles Bruton
Craig Deal
Steve DeWitt
Janet D'Ignazio
Bruce Ellis
C.A. Gardner
Cherie Gibson
Bill Gilmore
Lisa Glover
Randy Griffin
Rob Hanson
Phil Harris

Mike Holder
Bill Holman
Julie Hunkins
David Hyder
Pat Ivey
Berry Jenkins
Neil Lassiter
Fred Lamar
Emily Lawton
Don Lee
Sharon Lipscomb
Robin M. Little
Ehren Meister
Sarah Mitchell
Jon Nance
Sandy Nance

Ken Pace
Linda Pearsall
Mike Petty
John Allen
Pope
David Robinson
Len Sanderson
Ruth Sappie
Dave Schiller
Roy Shelton
Jay Swain
Charles Tomlinson
Jim Trogon
Hawley Truax
Frank Vick
Don Voelker
Ron Watson

Ms. Szlosberg called the meeting to order. The meeting minutes were approved as presented. Ms. Szlosberg introduced two special guests; Marvin Blount III, from Greenville, who will be sworn in to fill the board member vacancy in Division 2 later this month and Bill Holman, former Secretary for the Department of Environment and Natural Resources and current Executive Director of the Clean Water Trust Fund.

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Ms. Szlosberg introduced Bill Gilmore, Transition Manager for the Ecosystem Enhancement Program (EEP) to give an update on the EEP.

Mr. Gilmore's presentation provided an update and overview of the EEP and showed several preservation projects that will be collaboratively pursued for mitigation in the near future. During the presentation, Mr. Gilmore also identified several items that the Board will be asked to support in the near future.

The EEP has been developed in partnership by NCDOT, NC Department of Environment and Natural Resources (NCDENR), and the US Army Corps of Engineers (USACE), and has already received a lot of national attention. The program is designed to increase the effectiveness of the delivery of mitigation. It will help minimize the delays projects often incur due to the difficulties associated with providing mitigation. The new program will alter the way mitigation is done now.

Under the EEP, mitigation will be looked at programmatically, which means that we will look at mitigation projects and anticipated impacts years in advance from when they occur. The EEP will start implementing the construction of mitigation sites in advance of actual project construction. Mitigation will be in the ground providing its ecological function so that when mitigation is needed for a project permit, mitigation will be in place. This will help projects move more expeditiously. The overall intent of the EEP is to provide programmatic mitigation on a watershed scale with the functional replacement for unavoidable impacts, years in advance of project impacts and by doing so will enhance the environment.

The development of the EEP started over two years ago when an interdisciplinary team came together to redesign the permitting process. It was a collaborative effort with all the resource agencies. A recommendation from the permit process improvement was that the mitigation process needed to be evaluated and improved. The concept of the EEP was born during this second process redesign effort. Like the permit process improvement initiative, it was a collaborative effort among all the participatory resource and regulatory agencies.

How is the EEP different from the way mitigation is done today? Today, mitigation occurs on a project-by-project basis. As noted already, the EEP will be program focused. Today, mitigation is based on the replacement of impacts on an acre or linear foot basis. The EEP will base mitigation on the replacement of impacts due to functional losses. The new program will allow mitigation to be proactive rather than reactive and will be more cost effective, while allowing more predictability in letting. The EEP is intended to be fully operational by 2005.

There are two sources of funding for the EEP: (1) through project impacts, which will be maintained as the primary source for funding based on the acres and feet of impacts, and (2) through traditional payments systems under the NC Wetlands Restoration Program.

Some of the current activities associated with the upstart of the EEP are the development of a Memorandum of Agreement (MOA) between the coordinating agencies -- US Army Corps of Engineers, NCDENR and NCDOT. An organizational staffing plan is being developed which identifies the projected staffing needs. Currently, six staff members have been assembled to help with the program development. Several key committees are being formed, including a Liaison Committee and a Technical Advisory Committee. The Liaison

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Committee is a group appointed by the Secretary of Transportation and Secretary of NCDENR and will act as the outreach component to all of the external and servicing groups involved in the program establishment. This is key because of the support and acceptance needed from these stakeholders.

During the upstart of the program (until 2005), the EEP will begin to deliver mitigation to meet anticipated transportation program impacts. The EEP will initially focus on two types of mitigation: (1) restoration and (2) high quality preservation and conservation. While compensatory mitigation includes creation, enhancement, and preservation, focusing on the preservation component will allow for the immediate establishment of some quality projects. Mr. Gilmore noted that the presentation will illustrate several example projects later in the presentation.

For the purposes of preservation projects, the EEP has established eight “ecoregions” within the state. Preservation projects may be used to offset unavoidable impacts that occur within the same ecoregion. The program will be identifying projected impacts in the upcoming two-year period and will be pooling resources to target high quality preservation sites that will enhance the environment (predominantly water quality) within those ecoregions.

Board Member Frank Johnson asked why the eight ecoregions didn’t follow NCDOT division boundaries, based on the suggestion he gave to Mr. Roger Sheats at a previous meeting. Mr. Gilmore responded that the areas identified are based on physiographic regions and regulatory boundaries. There are four geographic regions of the state: mountains, piedmont, inter-coastal and outer-coastal. These four regions were then further divided into 8 ecoregions, with this east-west division occurring mainly along county lines. Dr. Charles Bruton added to Mr. Gilmore’s response that these geographic regions are already existing with other regulatory agencies and its makes it much easier to continue the coordination based on this system.

Mr. Johnson stated that it would be much easier to coordinate from the DOT division office if the NCDOT division office is carrying out mitigation. As such, decisions should be made closer to where they are occurring -- in the divisions. This current EEP proposal seems to create meetings on top of meetings and could be managed a whole lot better by setting up the regions around transportation divisional boundaries. Mr. Gilmore requested to come back to this topic with Mr. Johnson later to clarify some of the concerns. Mr. Johnson noted that he thinks that the areas identified need to be more manageable to reduce cost and effort. Board Member Cam McRae pointed out that these are the same issues with MPO’s and RPO’s. Mr. Johnson concluded that the EEP is a great initiative and that it should be managed efficiently.

Mr. Gilmore noted that he would look again at this issue.

Ms. Szlosberg suggested that a map be designed that would overlay the DOT divisions and proposed boundaries for comparison. Mr. Gilmore also noted that the program One North Carolina Naturally has its own boundaries. Mr. Johnson noted that DOT is providing the funding based on the projects and division needs and that this new “ecoregion” system may complicate the effort.

Mr. Gilmore continued with the presentation illustrating some example preservation projects. He recognized Linda Pearsall with the NC Heritage Program. Ms. Pearsall is a central point for the ecological issues within the state. The examples are listed below:

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- Lumber River Basin in Columbus and Brunswick Counties, which would supply approximately 30,000 feet of stream. This project is the most extensive bottomland hardwood swamp left in North Carolina.
- Stream river system located in the Yadkin River Basin in Surry County.
- Preservation project in mountain region within the Watauga River Basin. This system, which provides approximately 6,293 feet of stream preservation, is part of the Boone Fork Creek in Watauga County and the Linville area adjacent to Grandfather Mountain.
- Burgaw Creek in the Cape Fear River Basin in Pender County. This project provides approximately 6,500 feet of stream preservation and will be protected forever as a high quality system.
- Preservation project in the Cape Fear River Basin and located in the Shelter Swamp area of Pender and Onslow Counties. It will provide approximately 15,000 feet of high quality stream preservation.
- Lumber River Basin in Brunswick County, which will provide approximately 4,000 feet of stream.
- The Needmore Tract is located in Macon County and will provide approximately 155,997 feet of stream. This project could alone alleviate many permitting issues in western North Carolina by its single acquisition. Ms. Szlosberg noted the importance of the habitat involved with this site. What's unique about this project is that it's a partnership effort.

Mr. Gilmore explained the criteria used for choosing preservation sites. The model used is patterned after the Clean Water Trust Fund and the Heritage Trust Fund Programs. In terms of rivers, streams and sounds the program looks at:

- Aquatic projects identified as significant by the NC Heritage Program
- Outstanding Resource or High Quality Waters
- Shellfish and Primary Nursery
- Projects that are excellent or good for benthos as identified by DWQ
- Water containing rare species
- Connectivity

In terms of wetlands, the program looks at:

- NC Heritage Program designation as significant
- DWQ classification as unique
- Contiguous to presently preserved lands
- NCDCM classification as exceptional functional significance
- Connectivity

Connectivity is a relatively new term and is the inter-connection between habitats and species within those habitats. When connectivity is maintained, the environment is generally more robust.

The sources for preservation can come from any number of places. The primary source is from DENR, such as the NC Wildlife Resources Commission and the NC Division of Parks and Recreation. These sources of preservation are effective because they are the state agencies that are responsible for the long-term management and ownership of public lands. The Clean Water Management Trust Fund and the Natural Heritage Trust Fund are also potential sources for preservation sites. Other sources include private landowners and conservation groups.

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The near term actions of the EEP will be to obtain support from the Board with the approval of funds for preservation projects. The second near-term action will be funding associated with the signed MOA. This will include the merger of staff for the acceleration of the program. Mr. Gilmore opened up the discussion to questions.

Mr. Johnson commented that with regards to future funding requests that the program looks at its proposed regional boundaries and compare them to NCDOT division boundaries. He encouraged the EEP to use this information for the possibility of reducing the number of positions requested for staffing of the EEP. Mr. Gilmore noted that he would like to work on this issue further with Mr. Johnson.

Ms. Szlosberg asked about the mandate of “no net loss” and the transition strategy for this concern. Mr. Gilmore replied that during that two year transition period, this requirement will be relaxed by the resource agencies to a 2:1 restoration requirement with the intent that at the end of the period, all the restoration is in place. Further, in the EEP’s first year of implementation there will be an accelerated mitigation program. Ms. Szlosberg noted that trust is a huge component of the transition period and we must hold ourselves at a high standard.

Mr. Johnson asked how this relates to the mitigation banking business. Mr. Gilmore answered that mitigation bankers are a vital part of the program. Requests for Proposals are continually issued for their help. The EEP will be working on mitigation projects three to four years ahead of the anticipated project impacts. During this time period and as a transportation project develops and its impacts are known with more certainty, the anticipated impacts will be documented and updated in databases (similar to an asset and debit ledger). The mitigation needs (for unavoidable impacts) and mitigation assets (to offset the impacts) will be updated periodically. Mr. Johnson commented that he was really referring to those projects that weren’t necessarily planned for mitigation needs. Mr. Gilmore noted that the mitigation needs are based on projected impacts for projects included in the TIP; any projects that have not had a thorough environmental assessment would be flagged with a 300-foot buffer within the database to accommodate any potential future needs.

In closing, Ms. Szlosberg introduced special guest Hawley Truax, Environmental Policy Advisor to Governor Easley. She also recognized Dr. Charles Bruton, Manager for NCDOT’s Office of the Natural Environment. Dr. Bruton will be retiring this month after 30 years of state service, twenty-nine of them with the Department of Transportation. Dr. Bruton’s outstanding leadership and dedication will be missed.

Dr. Bruton briefly responded that he was thankful for the competent staff members within DOT, the relationships with fellow agencies, and the leadership and support of the Board and senior management.

The next meeting for the Environmental Planning and Policy Committee is scheduled for Wednesday, March 5, 2003 at 8:00 AM in the Board Room (Room 150) of the Transportation Building.

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